February 19, 1990

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Chrysler to take on Japan

By Raymond Serafin and Patricia Strnad

Chrysler Corp. and Lee Iacocca are going to take on the Japanese in a new corporate ad campaign touting the Chrysler "advantage."

The campaign, expected to break in about a month, will feature pointed comparisons with Japanese products, sources close to Chrysler say.

The sources say Mr. Iacocca will appear in the ads, at least initially.

The "Advantage Chrysler" theme line also is likely to start appearing in divisional brand and dealer group ads.

The drive was developed by corporate agency Bozell, but the idea itself grew out of the personal conviction of Mr. Iacocca and other top Chrysler officials that many U.S. buyers assume Japanese products are superior despite big improvements in the quality of U.S. products.

"We do have advantages—big Chrysler advantages. You're going to be hearing a lot more of that in coming months," the Chrysler chairman said during a Feb. 13 news conference.

At the news conference, he also announced a fourth-quarter net loss of $664 million, much of that attributable to a $577 million one-time charge for restructuring operations.

Mr. Iacocca is expected to hit hard on the theme of Chrysler advantages vs. the Japanese during a six-city schedule of meetings with media, business and community leaders starting Feb. 21 in Washington.

He warmed up for the tour and the upcoming ad campaign with the news conference and a Feb. 10 speech to the National Automobile Dealers Association.

"Too many Americans want to believe that 'made overseas' always means better than 'made in America,' " Mr. Iacocca said in the speech. "At Chrysler, we're

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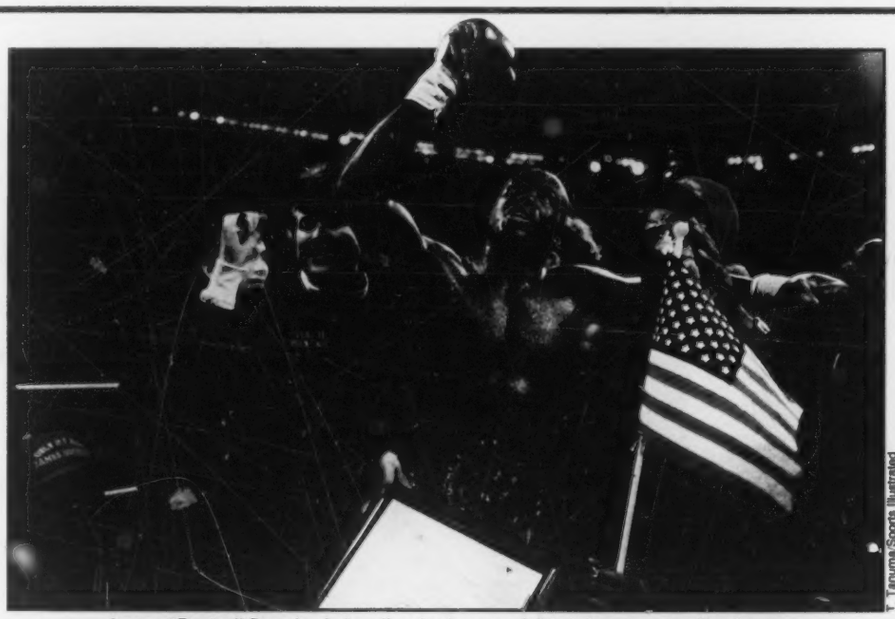

T. Tanuma/Sports Illustrated

James "Buster" Douglas is heading for heavyweight status among ad endorsers.

SIGN ME, BUSTER

New champ awaits endorsement deals

By Steven W. Colford

James "Buster" Douglas, whose improbable victory over heavyweight champion Mike Tyson set boxing on its cauliflower ear, may soon have some major endorsements under his belt.

Marketers are said to be eager to sign the new champ to endorsement contracts, and Coca-Cola Co. and Nike are first in line, say sources close to Mr. Douglas.

Although a Coca-Cola spokesman said the company doesn't comment on potential product spokesmen, Mr. Douglas would appear to fit nicely in Diet Coke's current ad campaign. Recent Diet Coke commercials have featured celebrities including boxer Sugar Ray Leonard.

Signing Mr. Douglas would also give Coca-Cola a powerful comeback to Diet Pepsi's 1988 campaign. That effort featured then-champ Mr. Tyson, who claimed reformulated Diet Pepsi beat the taste of Diet Coke.

Meanwhile, a Pepsi-Cola Co. spokeswoman said: "We have no plans to go after Buster, but we don't rule anything out."

While Nike executives couldn't be reached for comment on its possible interest in Mr. Douglas, Nike's agency denied it's interested in a deal.

Tim O'Kennedy, management supervisor at Wieden & Kennedy, Portland, Ore., said, "We'll do 'Bo knows Yiddish' before we do 'Bo knows boxing,' " referring to the current campaign starring football and baseball star Bo Jackson.

A spokesman at Reebok International said the company was absolutely not interested in Mr. Douglas.

John Johnson Jr., son of Mr. Douglas' manager/-trainer, said marketers and media were "coming out of the woodwork" in the days after the title fight.

"There was none of this until two days ago," Mr. Johnson said two days after the fight. "We

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New RJR brand under fire

By Judann Dagnoli and Laurie Freeman

R.J. Reynolds Tobacco Co. is planning to test market a new cigarette called Dakota, targeting smokers of Philip Morris USA's top-selling Marlboro brand.

The RJR cigarette is scheduled to be introduced in April.

Peter J. Hoult, RJR exec VP-marketing, said in a statement the objective is to regain "market share lost over the past several years to our competitors. . . . Dakota . . . is expected to appeal to Marlboro smokers both male and female, and we expect this new product will succeed in the marketplace."

In a proposed marketing plan that appears to have been presented to Reynolds on Sept. 21 by Promotional Marketing Inc., Chicago, it was recommended that this new cigarette—code-named "Project VF"—be more narrowly targeted, specifically to women below the age of 21.

The unauthorized circulation late last week of this proposal, which isn't known to have been adopted by RJR, already has drawn the ire of anti-smoking groups and government officials.

In a series of documents totaling 200 pages obtained by *Advertising Age*, *The Washington Post* and *The Wall Street Journal*, it was recommended that Dakota be targeted to blue-collar women ages 18 to 20.

According to one document, which appears to be a Sept. 10 internal memo from "Ms. P.S.

(Continued on Page 74)

LAST MINUTE NEWS

Warning for Ky. ad tax

FRANKFORT, Ky.—National marketers likely would shift ad dollars out of Kentucky if the state's 5% sales tax is extended to in-state and some national advertising, said Ross Love, Procter & Gamble VP-advertising. "Advertisers in many cases would decide to reduce their advertising expenditures on local Kentucky TV stations and local newspapers and other publications," he told the House Appropriations & Revenue Committee. The 23-member panel may vote this week on the proposal, backed by Gov. Wallace Wilkinson.

GM sets corporate push

DETROIT—General Motors has approved plans for a new corporate quality campaign to start in the second quarter, sources said. Spending this year will be at least $40 million and could hit $100 million depending on divisional contributions and special event involvement. The campaign was created by McCann-Erickson Worldwide, New York, which will work with GM's regular corporate agency, N W Ayer, New York. The campaign aims to address what GM sees as a gap between general perception of its cars and buyer satisfaction (AA, Jan. 15).

Jamaica taps FCB

KINGSTON, Jamaica—Jamaica Tourist Board unanimously selected

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INSIDE

Eastern Europe
James Brady and other *Ad Age* correspondents take us behind the Wall for a special report on the countries, the people and the media in rapidly changing Eastern Europe ..... **P. 34**

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Evian readies push as Perrier pulls out

An Advertising Age roundup

In a stroke of good timing, Evian Waters of France is about to launch its biggest-ever ad campaign, just as Perrier struggles with a worldwide recall.

Evian's efforts for Evian and Saratoga waters break next week, and though Evian doesn't directly compete with Perrier, it might pick up sales because it's well-known.

Saratoga is Evian's sparkling water, but it's only sold on the East Coast.

"It's coincidence," said Evian CEO David Daniel. "We just happen to be ready to kick off our 1990 advertising. . . . We have no intention of trying to capitalize on their misfortune."

The company last year made plans to boost Evian advertising by "more than 50%" in 1990 to an estimated $6 million and nearly triple Saratoga spending with the company's first TV effort for the brand.

TBWA, New York, is the agency for Evian and Saratoga.

The market is up for grabs now that Perrier is off U.S. shelves for as long as three months. The voluntary recall was issued in the U.S. Feb. 9 and extended last week to Canada and then worldwide. Perrier made the decision after finding traces of benzene, a known carcinogen, in its bottles.

So far, the early sales winners are other sparkling water imports, such as Italy's San Pellegrino, and surprisingly, domestic sparklers that marketing experts once thought couldn't compete with the cachet of imports.

Domestic brands including G. Heileman Brewing Co.'s La Croix in the Midwest; Evian's Saratoga in the East; Perrier's Calistoga on the West Coast; and Quibell Springs in the South are all racking up sales.

Heileman is hiking ad spending 10% to 20% for LaCroix in the wake of the Perrier recall.

In the wake of Perrier's problems, many competitors are increasing production where possible and expanding distribution, especially in bars and restaurants, where Perrier built its reputation and gets some 35% of its U.S. business.

By luck or not, Evian may benefit. New TV spots for Evian water feature beautiful footage of nature set to tranquil music suggesting that the still water is "nature's gift" to a balanced lifestyle.

In a separate page newspaper ad slated to run Feb. 26, Evian offers 2,500 words of copy to educate consumers about hydration under the headline, "Just a drop of what you should know about water." Both TV and the newspaper ads have no slogan.

The regional ad push for Saratoga features whimsical TV spots that use humor to play up its "tiny, little bubbles."

Others are following suit. Heileman deliberately altered its advertising for LaCroix and is hiking spending 10% to 20%. Last Friday it broke a newspaper ad from Young & Rubicam, Chicago, headlined "LaCroix. Pure sparkling water. Always was. Always will be." The ad also will be carried in outdoor and radio spots as a supplement to the traditional "LaCroix for LaBody" theme.

Adolph Coors Co. is testing Coors Rocky Mountain Spring Waters in several markets, and the company now says the test results will be skewed in the absence of Perrier.

Pepsi-Cola Co., which is testing sparkling H2Oh! in Denver, said it's taking a "wait and see" attitude about expanding its market area for the brand.

Phoenix, Ariz., was slated to be the next test site.

Both Coors and Pepsi said they had no immediate plans to roll out the brands nationally.

Quibell Springs, of Roanoke, Va., has increased its bottling capacity by 50% to meet orders pouring in from distributors in 26 states.

Immediately following the news about Perrier, Quibell got $1 million in orders—the equivalent of a month's orders, said Timothy Greider, managing director of the Quibell bottling plant.

Quibell will ship 300,000 cases this month; normally it ships 100,000 cases.

Spa, a new Belgian import from Spa Importers, said it's not

(Continued on Page 74)

S. Africa shops upbeat

By Tony Koenderman

JOHANNESBURG—South African advertisers and agencies see opportunity in the release of jailed African National Congress leader Nelson Mandela and other movements to end apartheid.

"This is something we have been looking forward to for a long time," said Bob Rightford, chairman of Ogilvy & Mather Rightford, Cape Town, South Africa's No. 11 ad agency. "It's a move toward creating a market of 35 million people of all races instead of focusing only on the 5 million whites."

Mr Mandela is "like a messiah, Mr. Rightford said. "He has his people in the palm of his hand."

Black consumers' share of the nation's disposable income has risen from 32% in 1970 to an estimated 50% and is expected to reach 62% by the year 2000, says the Bureau of Market Research, Pretoria.

With an eye on that growing market, ad agencies here have been at the forefront in applying pressure for an end to racial division through lobbying efforts, ad campaigns and hiring practices.

In the past few months, advertisers such as South African Breweries, Unilever and cereal marketer Tiger Oats have started to specifically address the black consumer market in their ads. Previously, advertisers targeted only white consumers.

Only about 14.6% of the $650 million spent in 1988 on advertising in South Africa goes into media specifically targeted at black consumers, who account for more than half of total consumption, according to Market Research Africa here.

South Africa Broadcasting has two black-oriented TV stations that broadcast in six ethnic languages, and there are several black-oriented newspapers.

O&M's Mr. Rightford believes the amount of black consumer advertising will now grow and pacesetting advertisers will benefit from being there first.

"Brands that have been prepared better [for targeting black consumers] are going to emerge stronger," he said. "I think it will start having an effect almost immediately."

Ad spending accounts for 0.7% of South Africa's gross national product, compared with about 1.4% in Australia, which in turn trails the U.S., which stood at 2.4% in 1987.

"In a developing economy, we can't expect the [ad-to-sales] ratio to be as high," Mr. Rightford said. "But we can certainly expect an improvement."

O&M Worldwide Chairman Alexander Brody said O&M clients in South Africa are in two camps: "Those clients that remain there and that have never lost interest, which are mainly British and European nationals, and those that pulled out," mainly U.S. companies, such as IBM Corp.

O&M owns about 40% of O&M Rightford, whose major clients include SmithKline Beecham, N.V. Philips, Nestle and Unilever.

"Those companies never disinvested," Mr. Brody said.

"Our company has always been a large employer of blacks [in South Africa]," he added, saying that O&M made a decision at its clients' urging not to pull out of the country.

Whether Mr. Mandela's release

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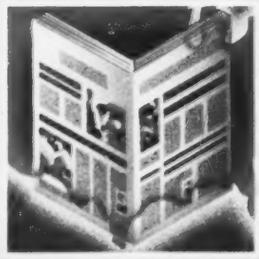
("Brady" and "The Next Trend" will return next week.)

Newspapers
Publishers aim to build up national ads with team selling, simplified ad rates and added services. The section also looks at the increased use of color in newspapers.



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Maidenform's celebrity campaign creates the ultimate fantasy by projecting a romantic self-image to women through the opinion of dream man Pierce Brosnan.

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Consumer magazine circulation: Who's on top

Yearend rankings, by circulation, of the 200 largest consumer magazines in the country, according to the Audit Bureau of Circulations. Sunday newspaper magazines and several consumer magazines audited by the Business Publication Audit of Circulation are not included in the list.

Rank	Publication	Per-issue averages 6 months ending 12/31/89	6 months ending 12/31/88	% chg
1	Modern Maturity	21,430,990	19,301,820	11.0
2	Reader's Digest	16,343,599	16,452,422	(0.7)
3	TV Guide	15,867,750	16,302,705	(2.7)
4	National Geographic Magazine	10,890,660	10,574,562	3.0
5	Better Homes and Gardens	8,005,311	8,143,083	(1.7)
6	Family Circle	5,461,786	5,922,530	(7.8)
7	Good Housekeeping	5,152,245	5,217,147	(1.2)
8	McCall's	5,088,686	5,142,463	(1.0)
9	Ladies' Home Journal	5,038,297	5,086,714	(1.0)
10	Woman's Day	4,705,288	5,571,573	(15.5)
11	Time	4,339,029	4,648,454	(6.7)
12	Guideposts	4,203,934	4,258,806	(1.3)
13	National Enquirer	4,100,740	4,285,707	(4.3)
14	Redbook	3,901,419	3,950,489	(1.2)
15	Star	3,588,753	3,682,796	(2.6)
16	First For Women	3,509,688	—	—
17	Sports Illustrated	3,424,393	3,329,415	2.9
18	Playboy	3,421,203	3,555,663	(3.8)
19	People Weekly	3,270,835	3,349,401	(2.3)
20	Newsweek	3,180,011	3,227,391	(1.5)
21	Prevention	3,134,914	3,136,447	(0.0)
22	The American Legion Magazine	2,828,238	2,824,260	0.1
23	Cosmopolitan	2,702,125	2,760,010	(2.1)
24	Smithsonian	2,342,443	2,262,015	3.6
25	Southern Living	2,318,841	2,288,695	1.3
26	Glamour	2,224,135	2,190,027	1.6
27	U.S. News & World Report	2,209,996	2,300,197	(3.9)
28	Field & Stream	2,015,577	2,032,020	(0.8)
29	VFW Magazine	1,979,899	1,955,052	1.3
30	NEA Today	1,919,340	1,849,186	3.8
31	Money	1,834,618	1,821,625	0.7
32	Penthouse	1,830,823	2,108,256	(13.2)
33	Popular Science	1,818,403	1,844,323	(1.4)
34	Country Living	1,801,414	1,833,816	(1.8)
35	Ebony	1,791,976	1,764,993	1.5
36	Home & Away	1,791,728	1,741,552	2.9
37	Seventeen	1,766,161	1,752,308	0.8
38	Parents Magazine	1,752,697	1,772,633	(1.1)
39	Life	1,749,723	1,749,972	(0.0)
40	Popular Mechanics	1,650,693	1,668,096	(1.0)
41	Discovery	1,607,574	1,619,701	(0.7)
42	1,001 Home Ideas	1,603,099	1,536,706	4.3
43	Woman's World	1,560,496	1,413,575	10.4
44	Outdoor Life	1,507,529	1,514,400	(0.5)
45	The Elks Magazine	1,501,652	1,526,010	(1.6)
46	Adventure Road	1,479,616	1,484,100	(0.3)
47	The American Rifleman	1,442,317	1,358,967	6.1
48	Sunset	1,393,015	1,430,860	(2.6)
49	New Woman	1,390,830	1,332,586	4.4
50	The American Hunter	1,380,230	1,359,307	1.5
51	US	1,365,892	1,379,602	(1.0)
52	Bon Appetit	1,355,404	1,344,050	0.8
53	Golf Digest	1,363,907	1,314,434	3.8
54	Boys' Life	1,334,659	1,392,535	(4.2)
55	Globe	1,329,413	1,525,745	(12.9)
56	Changing Times	1,300,153	1,040,677	24.9
57	The Workbasket	1,295,578	1,402,785	(7.6)
58	Vogue	1,247,920	1,202,471	3.8
59	Sesame Street Magazine	1,235,842	1,260,274	(1.9)
60	Rolling Stone	1,216,781	1,273,681	(4.5)
61	Self	1,213,314	1,229,791	(1.3)
62	Home Mechanix	1,209,395	1,229,727	(1.7)
63	Mademoiselle	1,162,206	1,283,242	(9.4)
64	Travel & Leisure	1,115,328	1,125,788	(0.9)
65	'Teen	1,100,237	1,093,051	0.7
66	Health	1,088,696	1,026,164	6.1
67	Discover	1,053,034	1,030,228	2.2
68	Organic Gardening	1,037,214	1,086,406	(4.5)
69	Golf Magazine	1,019,379	937,232	8.8
70	Weight Watchers Magazine	1,007,755	1,003,347	0.4
71	Yankee	1,002,781	1,003,948	(0.1)
72	American Health	1,000,689	981,626	1.9
73	Business Week (worldwide)	992,820	975,585	1.8
74	YM	967,249	887,571	9.0
75	Country Home	963,081	972,178	(0.9)
76	Sport	960,066	947,005	1.4
77	Scouting	949,405	1,009,086	(5.9)
78	House Beautiful	939,735	890,745	5.5
79	Car and Driver	934,377	935,315	(0.1)
80	Popular Photography	927,388	726,572	27.6
81	Omni	925,436	925,345	0.0
82	Home Magazine	925,335	NA	NA
83	Hot Rod	911,667	884,669	3.1
84	Workbench	909,119	845,673	7.5
85	National Examiner	893,956	1,120,434	(20.2)
86	Psychology Today	887,770	931,859	(4.7)
87	Jet	860,671	852,913	0.9
88	Nation's Business	858,228	855,424	0.3
89	Essence	851,034	850,007	0.1
90	Weekly World News	848,767	990,177	(14.3)
91	Elle	826,336	826,877	(0.1)
92	Food & Wine	823,530	798,366	3.2
93	Motor Trend	818,021	784,919	4.2
94	Consumers Digest	813,373	759,714	7.1
95	Gourmet	807,377	806,304	0.1
96	Victoria	793,790	683,104	16.2
97	Homeowner	791,310	724,017	9.3
98	Fortune (worldwide)	781,040	769,947	1.4
99	Practical Homeowner	759,857	719,730	5.6
100	Forbes	743,533	741,731	0.2
101	Vanity Fair	741,747	652,310	13.7
102	Conde Nast Traveler	740,907	753,381	(1.7)
103	Traveler	739,641	796,678	(7.2)
104	American Legion Aux. News	736,321	801,733	(8.2)
105	Harper's Bazaar	735,738	753,262	(2.3)
106	VFW Auxiliary Magazine	734,740	732,757	0.3
107	Esquire	733,675	753,730	(2.7)
108	Endless Vacation	724,139	638,890	13.3
109	The Sporting News	710,452	733,291	(3.1)
110	Metropolitan Home	708,949	704,194	0.7
111	Road & Track	708,223	703,899	0.6
112	Mother Earth News	707,523	742,774	(4.7)
113	Creative Ideas for Living	703,761	708,653	(0.7)
114	Cooking Light	689,644	584,588	18.0
115	GQ	684,403	669,923	2.2
116	Games	677,440	716,271	(5.4)
117	Travel-Holiday	673,501	755,104	(10.8)
118	Shape Magazine	661,365	700,867	(5.6)
119	Scientific American	659,222	644,998	2.2
120	Inc.	630,203	639,549	(1.5)
121	Architectural Digest	628,920	656,783	(4.2)
122	Ducks Unlimited	627,346	588,548	6.6
123	The New Yorker	622,123	613,275	1.4
124	HG	612,165	601,112	1.8
125	Guns & Ammo	606,422	582,162	4.2
126	Tennis	602,831	533,925	12.9
127	Inside Sports	600,230	545,295	10.1
128	Catholic Digest	599,531	592,889	1.1
129	Flower and Garden Magazine	596,339	592,445	0.7
130	The Saturday Evening Post	594,963	626,339	(5.0)
131	Muscle & Fitness	591,832	603,071	(1.9)
132	New Choices	591,133	507,062	16.6
133	Colonial Homes	585,576	627,296	(6.7)
134	Midwest Living	574,389	525,763	9.2
135	McCall's Needlework & Crafts	573,590	523,569	9.6
136	Stereo Review	545,731	504,582	8.2
137	Working Mother	538,072	605,951	(11.2)
138	World Tennis	533,392	441,076	20.9
139	The Rotarian	529,020	521,827	1.4
140	Sports Afield	527,155	523,174	0.8
141	Bassmaster Magazine	516,382	505,895	2.1
142	Natural History	516,309	517,354	(0.2)
143	Time Atlantic	515,551	519,867	(0.8)
144	Woman	502,397	518,943	(3.2)
145	Alfred Hitchcock & Ellery Queen Mag	490,360	465,446	5.4
146	Parenting Magazine	489,109	360,649	35.6
147	Pillsbury Classic Cookbooks	476,931	426,628	11.8
148	PC/Computing	471,642	312,625	50.9
149	Ski Magazine	464,915	465,819	(0.2)
150	The Atlantic	463,505	474,027	(2.2)
151	Star Comics	463,402	332,600	39.3
152	Byte Magazine	461,124	435,352	5.9
153	Grit	460,877	520,019	(11.4)
154	Savvy Woman	456,712	409,416	11.6
155	Country Music	455,027	439,609	3.5
156	Success!	454,062	435,341	4.3
157	Lear's	452,723	328,975	37.6
158	Video	452,308	453,290	(0.2)
159	Golf Illustrated	451,287	372,086	21.3
160	Sassy	450,479	436,677	3.2
161	Skiing Magazine	447,212	451,552	(1.0)
162	Car Craft	446,579	416,231	7.3
163	Financial World	442,042	303,316	45.7
164	Premiere	440,472	348,040	26.6
165	Audubon	436,512	436,196	0.1
166	New York Magazine	432,993	423,901	2.1
167	3-2-1 Contact	431,218	435,911	(1.1)
168	Runner's World	427,823	444,860	(3.8)
169	Town & Country	427,180	423,868	0.8
170	The Walking Magazine	420,630	331,481	26.9
171	Automobile Magazine	401,676	305,652	31.4
172	In Health	399,692	333,188	20.0
173	Capper's	382,293	393,391	(2.8)
174	Game & Fish Magazine	382,282	374,701	2.0
175	Home Office Computing	375,547	434,565	(13.6)
176	Crafts	375,244	400,596	(6.3)
177	California Magazine	373,787	362,973	3.0
178	Gallery Magazine	373,229	378,678	(1.4)
179	Crafts 'n Things	362,895	311,297	16.6
180	Fishing World	361,486	307,835	17.4
181	Brides	361,130	387,252	(6.7)
182	European Travel & Life	360,103	288,342	24.9
183	Kentucky Living	346,082	341,697	1.3
184	WWF Magazine	341,977	264,957	29.1
185	Petersen's 4 Wheel & Off-Road	341,413	292,341	16.8
186	Bicycling	337,826	312,372	8.1
187	Four Wheeler	337,277	316,941	6.4
188	Cycle	330,935	331,266	(0.1)
189	Carolina Country	329,888	347,033	(4.9)
190	Petersen's Hunting	327,243	352,946	(7.3)
191	Connoisseur	327,023	334,142	(2.1)
192	Modern Bride	325,287	350,531	(7.2)
193	Easyriders	325,161	336,649	(3.4)
194	Trailer Life	324,843	322,165	0.8
195	The Tennessee Magazine	321,907	314,059	2.5
196	Flying	321,662	320,779	0.3
197	Satellite Orbit	315,463	363,848	(13.3)
198	Entrepreneur Magazine	313,432	271,233	15.6
199	Air & Space/Smithsonian	311,391	311,133	0.1
200	Learning 89	310,918	298,547	4.1

Magazines ranked are either separate titles or titles sold and audited together only as a group. Several magazine companies also offer group buys combining separately audited titles. Where available, figures are audited worldwide circulation.

Audit

(Continued from Page 3)

number of pockets [containing the magazine at retail stores], we could drop $500,000 to $1 million, but how many copies do you have to sell to support that investment?"

Mr. Kaplan said he's pleased to see *Better Homes'* circulation drop 1.7% to 8,005,311, though he noted part of the drop was due to a cover price boost.

"Our goal is to hit the average rate base," he said. "We don't get paid for a bonus. My charge to our circulation department is get as close to rate base as possible."

The latest Audit Bureau figures show *Modern Maturity* continuing as the nation's largest magazine with a 21,430,990 circulation, up 11%. *Modern Maturity* is sent to members of the American Association of Retired Persons as part of the $5 membership fee. Members also get the *AARP Bulletin*.

"In general, single-copy sales are soft. I've seen it across the board" at a variety of magazines.

Reader's Digest is second with 16,343,599, down 0.7%; *TV Guide* is third at 15,867,750, down 2.7%.

Woman's Day showed the greatest percentage decline in circulation of the top 50 titles with *Penthouse* second. *Penthouse's* cover price was 50¢ higher in 1989 than in 1988; also, the 1988 period included strong sales of an issue featuring pictures of a woman involved with evangelist Jimmy Swaggart.

Modern Maturity posted the greatest increase in circulation, with *Woman's World* second, up 10.4% to 1,560,496.

First failed to meet its rate base of 4 million. Ad Director Todd Selbert said the rate base won't be changed, though the cover price has risen to $1.25 from $1.

He said some issues delivered the 4 million base and most advertisers last year were charter advertisers who signed up when the company was offering a 2 million rate.

First plans a number of promotions to raise circulation this year, including what it says is the first U.S. use of a wraparound booklet. In June, the publication will offer a 14-day diet attached to the outside of *First*. The booklets have been sales boosters for parent Bauer Group's publications in Europe.

The Business Publications Audit of Circulation last week released figures for consumer magazines it audits for the same period. Unlike Audit Bureau numbers for consumer magazines, BPA figures in some cases include unpaid circulation.

BPA's largest consumer magazines (with unpaid circulation noted where significant) include *The Cable Guide*, 7,744,357 (248,833 unpaid), down 0.8%; *Disney Channel*, 4,776,983 (all unpaid), up 7.5%; Farmers Insurance Group's *Friendly Exchange*, 4,686,398 (all unpaid), up 5.2%; *Premium Channels*, 4,187,693 (new); *AAA World*, 2,333,151, up 4.2%; *Investment Vision*, 1,820,786 (all unpaid), down 2.4%; *Parents Magazine's Expecting*, 1,210,613, down 2.1%; *CV*, 1,050,715 (all unpaid, new); *Travelhost*, 892,103 (all unpaid), up 27.4%; *Off Duty*, 740,747 (all unpaid), up 3.6%; *Asia*, 702,949 (all unpaid), up 10.0%; and *Friends*, 678,165, down 15.8%. *TV Entertainment* hadn't filed numbers yet. □

BEST AVAILABLE COPY

What Soviets think: A Gallup poll

Soviets prefer reading over watching TV, rely little on advertising before purchasing a product and almost half of them plan to buy furniture in the next two years, according to a Gallup poll.

The Gallup Organization conducted the survey of Soviet consumer attitudes and behavior in April and May 1989. With help from the Institute of Sociology at the Soviet Academy of Sciences, researchers interviewed nearly 1,400 adults in person in Moscow, Kiev and Kursk.

Among other findings: Soviets believe products made outside their country are better, with the majority having the most favorable impression of Japanese products. ☐

Best ways of obtaining information about product quality

Soviets were asked how important different factors are in judging products they might buy.

	Total %	Sex: Male %	Sex: Female %
Past experience	79	79	79
Advice from friends	72	75	71
Newspaper ads	24	22	26
Store window ads	15	12	17
Advice from in store salesperson	12	10	13
Past experience with the brand	5	6	4
None/don't know	3	3	2
Number of interviews	1,397	602	795

Enjoyment of leisure activities

Soviets were asked to rank activities in order of enjoyment.

	Total %	Sex: Male %	Sex: Female %	Age: -35 %	Age: 35-49 %	Age: 50+ %
Reading	56	57	55	46	60	63
Watching television	43	46	42	36	39	56
Activity with children	41	34	47	40	51	32
Visiting with friends	15	15	14	20	12	12
Favorite hobby	13	13	12	11	13	14
Going to movies, theater, exhibits	13	9	16	18	10	10
Sports activities, exercise	10	16	5	13	10	7
Working to make extra money	10	12	8	10	11	8
Listening to recorded music	9	10	8	14	7	6
Going to restaurants, cafes, bars	3	4	3	6	3	1
Number of interviews	1,397	602	795	512	427	439

Products owned-vs-planned purchases for next two years

Soviets were asked which products they own and expect to purchase.

Item	Household has %	Plan to purchase within two years %
Refrigerator	97	16
Television	97	10
Wristwatch	96	16
Furniture	92	43
Radio	82	7
Washing machine (for clothes)	78	22
Cassette tape recorder	68	15
Record player	60	6
Still camera	57	6
Bicycle	43	12
Stove for cooking food	35	4
Automobile	23	16
Motorcycle/moped	10	3
Movie camera	8	3
Video tape player	4	10
Video camera	2	3
None/don't know	1	24
Number of interviews	1,397	1,397

Impressions of product quality in four countries

(Based on those who say country's products are of very or fairly high quality)

Soviets were asked to rank their impression of the quality of products from each country.

Country	Total %	Sex: Male %	Sex: Female %	Age: -35 %	Age: 35-49 %	Age: 50+ %	Education: Grade School %	Education: High School %	Education: Vocational Tech. School %	Education: College %
US	64	68	62	74	68	51	45	61	59	71
West Germany	70	73	68	78	73	59	48	66	66	77
United Kingdom	61	62	60	66	64	52	36	53	55	71
Japan	84	87	82	92	88	72	65	79	82	90
Number of Interviews	1,397	602	795	512	427	439	104	316	299	666

Financial expectations in the next two years

Expect personal financial situation to be:	Total %	Sex: Male %	Sex: Female %	Age: -35 %	Age: 35-49 %	Age: 50+ %	Education: Grade school %	Education: Voc./ tech school %	Education: College %
Much better	8	8	7	10	7	6	16	10	6
A little better	21	22	20	27	21	13	15	20	22
About the same	33	31	34	28	34	39	38	31	32
A little worse	11	12	10	9	11	13	4	13	13
Much worse	7	8	7	6	6	11	7	8	8
Don't know	20	19	22	20	21	18	20	18	19
Number of interviews	1,397	602	795	512	427	439	104	299	666

Brady

(Continued from Page 35)

ants in from the country selling lace and embroidery and such in the street of the Vaci. But when I start to shoot a photo the lace sellers notice and, as one, they turn their backs, hiding their faces. When you have had secret police around for 45 years, habits die hard.

In the Gerbeaud, a coffeehouse heavy with the cloying, near-sickening smell of sweet chocolate, a Gypsy woman with several children goes begging, table to table.

I lunch in the Gundel restaurant, touted in the guidebooks and located adjacent to the City Park. The Gundel is empty and lugubrious. Perhaps the mad Gypsy violins that play during dinner make a difference. I have an excellent cold wild strawberry soup, laced with cream. Here, as at other restaurants, each table provides that indelicate but undeniably useful tool, the wooden toothpick.

In the City Park, on a large pond, several thousand people are ice skating. It is dizzying to watch, a smashing show.

Across the road two Hungarian soldiers, solemn and stern, do their crisp goose step and present arms before a tall military monument. Unimpressed, at their feet, small boys whiz by on skateboards.

I pick up that day's *International Herald Tribune*. Lacking the local language, you begin to rely with a quiet desperation on CNN and the *Herald Trib* to find out what's happening.

All afternoon on TV Gorbachev keeps appearing, looking dour as the situation in Azerbaijan deteriorates. At home we think of the Soviet Union as being a long way off. Hungary shares a border with Russia and there are 55,000 Soviet troops still here, and you realize these people have a very real stake in whether Gorby makes it.

On TV as well, Wales is hosting France in rugby, they are playing tennis in Australia and a European Cup basketball game is on. Each side has one black player so you know this is not the NBA. The quality of play is pretty good.

I nip out in the rain Saturday night for a drink at the nearby Hyatt. In the bar an American, apparently with Schwinn Bike, is being interviewed by a woman journalist, also a Yank. The man keeps saying, too loud, "That's off the record," and keeps talking in some detail about joint ventures. I conclude, without great originality, that most people talk too much in bars.

In one of the Hyatt restaurants a Mexican band, right out of "The Three Amigos," is playing. Is this one world or not?

I pass up suckling pig and dine on steak. No place I've been yet seems to have a dress code. A sweater is as good as a suit.

In the hotel lobby, Japanese businessmen are bowing to each other. I have an impression if the Russian tanks come back tomorrow, the Japanese businessmen will still be bowing.

Railroad I—Budapest-Prague

Sunday, pre-dawn gray and chill. The Budapest railroad station, steel and glass, has no newsstand, no coffee bar, nothing but a fruit seller working from a wooden stand. At 6:45 a.m. no one tells you anything, and I follow signs I can't read, looking for the word "Praha," for Prague. When I find my train and the number of my car and compartment and get on board, I worry this may be the wrong train and I will end up in Albania. No cheery conductor appears to tell you anything.

I am alone in a six-passenger compartment, very cold, and I keep on my down jacket. A plump blond middle-aged woman in boots comes in and plops down opposite me. I say good morning and she says nothing. Fine, I'm going to put up with this one for 500 kilometers. A whistle blows and we pull out, precisely on time, as a little boy in red mittens, waving and prancing, races along the platform shouting goodbye to someone. Five minutes out of the station the conductor appears for the first time and picks up our tickets. Then the passport control officer comes along, carrying around his neck on leather straps a strange littl contraption, a sort of small wooden des nestled against his chest, on which he ex amines and then stamps my passport an visa. But there is some problem with th plump blond lady. She looks distressed an her eyes widen in my direction, as if sh seeks consolation. I ignore her and gaze ou the window where the countryside, rathe flat, the famed Hungarian plain, speeds by very green in the first light.

A second passport control officer come by, then a third, this one an attractiv young woman, using sign language to ask I have any Czech money.

None of these countries wants you t have any of their money when you arrive they want you to buy it there with dollar Makes sense; they need hard currency. pass inspection but the plump blon woman continues to encounter difficul ties.

The train, threadbare but clean, rattle on, the Danube to our left, still small, lei surely. Barges head north and there is ski ice on some of the coves.

Now, out of desperation, the plump blond takes me into her confidence. She is Germa was in a car crash, and has both glaucom and irregularities with her visa. I speak litt German, she speaks little else, but we wor this much out. I wag my head in sympath tsk, tsk. At Sturovo, a small border town i

Retailers, newspapers work off the same page

By Kate Fitzgerald

A new era of cooperation between newspapers and retailers is under way.

Following Sears, Roebuck & Co.'s lead last year in getting newspaper chains to adjust ad rates, other retailers have managed to revamp their contracts with newspapers and push for a variety of reforms.

"Everyone in the retail business is now looking for the same thing from newspapers, which boils down to changes in how we work together," says Joseph Chicoskie, manager of media services for J.C. Penney Co. "Newspapers want to do business like we did it 20 years ago, but things have changed and they have to catch up," he says.

As newspapers battle against declines in advertising and circulation, retailers provide 50% of their revenues; an approximate 7% per year increase in ad rates makes the struggle for lower rates and increased linage worthwhile for both groups.

"We're all watching Sears and the progress they've made," says Chuck Jacoby, national advertising manager for Silo Inc., an electronics and appliances retailer. "Obviously, whatever gains the biggest retailer makes should help improve our relationships with newspapers across the board."

Although no other retailers have tried to negotiate the same type of flat-rate system Sears sought, retail advertisers report improvements in negotiations with newspapers in the last two years.

"It's gradual, but recently retailers have begun to share the driver's seat with newspapers more than they ever did before," says Mr. Jacoby.

Retailers still want better incentives and more flexibility in the rates offered by newspapers, along with more information-sharing between the two sides.

"We'd like to see a new benchmark established that would tie newspaper ad rates to the amount of money each retailer spends," Mr. Chicoskie says. "That type of arrangement would give all retailers the same advantage, whether they are large or small."

At the annual International Newspaper Advertising & Marketing Executives meeting in January, Montgomery Ward & Co.'s Chairman-CEO Bernard Brennan summed up the dilemma retailers face, saying: "What we need from you are new strategies and prices that allow us to do the job we must do, which is to reach increasingly targeted consumers at efficient prices."

Retailers also are clamoring for newspapers to supply market research data that will allow them to better target customers.

Armed with a newspaper's circulation and penetration data within a certain ZIP code, retailers can decide where, when and how to advertise in newspapers, including whether to use preprinted inserts or run-of-press ads. Yet, less than half of the major newspapers provide circulation data broken out by ZIP code.

"For more than two years we've had the capability to target customers and markets through ZIP codes, but most of the newspapers we deal with don't give us this valuable information," says Mr. Jacoby. "We're looking for market sensitivity in the markets that fit our needs, coupled with newspapers' needs, to make them advertising partners with us."

The newspaper industry has come "a long way" in providing data to advertisers, says Uldis Grava, VP-marketing services for the Newspaper Advertising Bureau.

"Two years ago only a couple of hundred newspapers provided circulation market research data to advertisers, and now over 600 do," he says. "By the end of 1990 half of all newspapers should be providing this data." □

Some retailers not buying newspapers' story

Top 10 newspaper advertisers' expenditures

	Jan.-Sept. 1989 ($ millions)	% change vs Jan.-Sept. 1988
May Department Stores	$149.8	5.0%
R.H. Macy & Co.	119.8	0.6
Sears, Roebuck & Co.	112.5	5.7
Campeau Corp.	94.9	18.2
American Stores	59.1	32.5
J.C. Penney Co.	56.8	15.7
Texas Air Corp.	55.7	-2.2
Dayton Hudson Corp.	55.2	-7.2
Montgomery Ward & Co.	45.5	11.4
K mart Corp.	39.5	-20.8

Note: Does not include News Corp., Valassis Inserts, General Motors or Ford Motor local dealers
Source: LNA/Arbitron Multi-Media Service
Ad Age Graphic: Holly Seguine

ferently. We've never sold like this before."

When the newspaper sales teams do arrive, says Mr. Primis, "we don't get a lot of, 'Gee, we're glad you're here.' Newspapers will have to spend money and energy to get advertisers' attention."

Some efforts have yet to pay off. The *Los Angeles Times'* effort to target the beer industry, which included publishing a prototype showing how Budweiser ads could appear in sports sections, has yet to yield a beer ad, says Janis Heaphy, the *Times* general advertising manager.

Separately this year, the *Times* launched a special ad rate for cosmetics companies, effective April 1. The rate will be similar to the co-op rate, says Ms. Heaphy.

Other newspapers in recent years have adopted special category rates, offering discounts for travel marketers, package goods suppliers, automakers and publishing houses.

Many newspaper executives say national advertisers don't reward the newspapers that reduce national rates.

Emmett McKinley, national advertising director for the *Houston Post*, says his newspaper would reduce national rates "in a heartbeat" if it would make a difference. The *Post's* 31.7% rate differential has shrunk slightly in the last few years, he says.

Others say the differential between national and retail ad rates is blown out of proportion.

"That's a consistent irritant," says Mr. Tilis. Eliminating the differential "should not be a goal," he says.

Instead, newspapers should focus more on giving national advertisers extra value through merchandising or volume contracts. "We see it [meetings with advertisers] as a marketing need. Advertisers need more and better information," says Tom Culligan, senior VP of marketing, Minneapolis *Star Tribune*. "We're also searching for great creative ideas." □

Judith Biltekoff in Buffalo, N.Y., contributed to this story.

The Sunday Chronicle and the daily Chronicle.

Surprised that The Houston Chronicle sells the two biggest newspapers in Houston? Well, it does.

The Sunday Chronicle sells 228,865 more papers than the city's other Sunday paper, giving it a 62% lead. And the daily Chronicle? It has a 34% lead over their daily edition, and even outsells their Sunday paper by 70,393. Nationally, The Houston Chronicle is the fastest-growing Sunday paper among the nation's top twenty-five newspapers, and the second-fastest growing daily in that group.

So if you want big advertising results, phone (713) 220-7761. One call, and you'll get Houston's two biggest newspapers.

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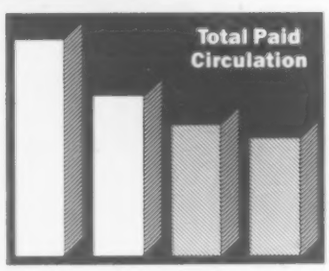

Calculations computed by The Houston Chronicle from the ABC Publisher's Statements for the six month period ended September 30, 1989 for The Houston Chronicle and The Houston Post.